

Introduced by Senator Hernandez

February 23, 2012

An act to amend Section 7284.2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1257, as introduced, Hernandez. Taxation: utility user tax: public transit vehicles.

Existing law provides that the board of supervisors of any county may levy a utility user tax on the consumption of, among other things, electricity, in the unincorporated area of the county.

This bill would provide that no utility user tax shall be imposed under these provisions upon electricity consumed from an in-route fast charger, within a local jurisdiction, that is separately metered and is dedicated to providing electricity as fuel for an electric public transit bus.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to recognize
- 2 that public transit operators are moving towards the use of
- 3 electricity as the primary fuel source to meet air quality objectives
- 4 at the state and regional levels, as well as to provide vital public
- 5 transportation services to transit-dependent citizens in California.
- 6 Further, the Mills-Hayes Act (Section 8655 of the Revenue and
- 7 Taxation Code) states that no tax shall be imposed upon fuel used
- 8 by public transit operations. Enactment of this legislation will
- 9 clarify that, pursuant to the Mills-Hayes Act, the use of electricity

1 as a motor vehicle fuel for use by an electric public transit bus
2 shall be exempt from any taxes imposed upon fuel.

3 SEC. 2. Section 7284.2 of the Revenue and Taxation Code is
4 amended to read:

5 7284.2. (a) The board of supervisors of any county may levy
6 a utility user tax on the consumption of electricity, gas, water,
7 sewer, telephone, telegraph, and cable television services in the
8 unincorporated area of the county.

9 (b) (1) For purposes of this section, “gas” shall not be construed
10 as referring to the consumption of compressed natural gas
11 dispensed by a gas compressor, within a local jurisdiction, that is
12 separately metered and is dedicated to providing compressed
13 natural gas as a motor vehicle fuel for use by the local agency or
14 public transit operator.

15 (2) *For purposes of this section, “electricity” shall not be*
16 *construed as referring to the consumption of electricity from an*
17 *in-route fast charger, within a local jurisdiction, that is separately*
18 *metered and is dedicated to providing electricity as a motor vehicle*
19 *fuel for use by an electric public transit bus.*

20 (c) For purposes of this section, “local jurisdiction” means any
21 city, county, city and county, including any chartered city, county,
22 or city and county, district, or public or municipal corporation.

23 (d) For purposes of this section “public transit operator” means
24 a local or regional transit agency or a joint powers agency operating
25 bus transportation service as defined pursuant to Article 1
26 (commencing with Section 99200) of Chapter 4 of Part 11 of
27 Division 10 of the Public Utilities Code.